

Beth

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 83-416-C - ORDER NO. 83-883  
DECEMBER 29, 1983

IN RE: Application of AT&T Communications of )  
the Southern States, Inc., for a Cer- )  
tificate of Public Convenience and )  
Necessity to Provide Telephone Common )  
Carrier Service to the General Public )  
for Compensation throughout the State ) ORDER  
of South Carolina and Application for )  
Initial Intrastate Tariffs. )

This matter comes before the South Carolina Public Service Commission (the Commission) by way of the Application of AT&T Communications of the Southern States, Inc. (the Company), filed on October 21, 1983, whereby the Company seeks certain relief in the nature of a Certificate of Public Convenience and Necessity to provide Telephone Common Carrier Services throughout the State of South Carolina, and approval of its Application for initial intrastate tariffs. The Application was filed pursuant to S. C. Code, Sections 58-9-10, 58-9-280, 58-11-100, 58-9-220, 58-9-230, 58-9-570 (1976) and 58-9-520 (Cum. Supp. 1983), and in accordance with the Commission's Rules of Practice and Procedure.

On October 25, 1983, the Commission's Executive Director instructed the Company to cause to be published a prepared Notice of Filing and Hearing once a week for two consecutive weeks in newspapers of general circulation in the affected area. The

Notice of Filing and Hearing indicated the nature of the Company's Application and advised all interested parties desiring to participate in the proceeding of the manner and time in which to file the appropriate pleadings. Thereafter, the Company furnished the affidavits demonstrating that the Notice of Filing and Hearing had been duly published in accordance with the instructions of the Executive Director. The Notice of Filing and Hearing was published in the State Register, Vol. 7, Issue No. 10, dated October 28, 1983.

On November 14, 1983, the Commission issued its Order No. 83-759, requiring the Company to prefile with the Commission and serve on all parties of record the testimony and exhibits of all witnesses intended for presentation during the instant proceeding. Thereafter, on November 22, 1983, the Commission issued its Order No. 83-777, requiring the Commission Staff and all parties of record to prefile with the Commission and serve on the Company and all other parties of record the testimony and exhibits of all witnesses intended for presentation during the instant proceeding.

This matter was originally scheduled for public hearing to commence at 10:30 A. M. Wednesday, December 21, 1983, but was rescheduled to begin at 11:00 A. M. on Monday, December 19, 1983 in the Offices of the Commission. Notice of Rescheduling of Hearing was mailed to all parties on December 8, 1983.

The public hearing in this matter was commenced on December 19, 1983; the Honorable Fred A. Fuller, Jr. presiding. AT&T Communications of the Southern States, Inc. was represented by Gene V. Coker, Esquire, and Francis P. Mood, Esquire. Five parties filed as Intervenors in this matter: United Telephone Company of the Carolinas, represented by James B. Wright, Esquire; Southern Bell Telephone and Telegraph Company, represented by Fred A. Walters, Esquire and William F. Austin, Esquire; General Telephone Company of the Southeast, represented by M. John Bowen, Jr., Esquire; The Consumer Advocate of South Carolina, represented by Raymon E. Lark, Jr., Esquire; and Telecommunications Systems, Inc., represented by Mitchell Willoughby, Esquire. The Commission and the Commission Staff were represented by Arthur G. Fusco, Esquire, General Counsel, and Sarena K. Dickerson, Esquire, Staff Counsel.

The Company presented the testimony of R. E. Fortenberry, Vice President - Regulatory Matters for AT&T Communications of the Southern States, Inc. Southern Bell presented the testimony of Raymond B. Vogel, Division Staff Manager - Rates and Costs, in the Rates and Cost Department of Southern Bell. General Telephone Company presented the testimony of L. A. Lamer. Telecommunications Systems, Inc. presented the testimony of Oscie O. Brown, III, Director of Rates and Tariffs.

It appears from the testimony that on September 20, 1983, Southern Bell created a wholly-owned subsidiary which is the Applicant in this matter. The creation of this subsidiary was pursuant to the U. S. District Court Approved Plan of Reorganization and necessary to implement the Modified Final Judgment of the U. S. District Court involving the divestiture of AT&T. The Company will receive Southern Bell's interLATA facilities and related property as of January 1, 1984. The Company is incorporated in the State of New York and was authorized to transact business as a foreign corporation in the State of South Carolina on October 17, 1983. In conjunction with the January 1, 1984 divestiture date, the Company will become, by means of a stock dividend from Southern Bell, a wholly-owned subsidiary of American Telephone and Telegraph Company, a New York corporation.

The Company will be, by reason of the plant and facilities it will receive or lease from Southern Bell and the Independent Telephone Companies, the only interexchange carrier with an existing capability to continue uninterrupted, on a statewide basis, the services customers are now receiving. The Company's Application requests a new statewide certificate of public convenience and necessity. As such, it does not affect the status of any certificate previously granted to other telephone utilities by the Commission. It is the Company's intention that the current ability of every subscriber in South Carolina to

reach every other subscriber in South Carolina be maintained. The Company testified that it is the only interexchange carrier with the present capability and desire to provide intrastate interexchange services to all telecommunications users. The Company proposes to charge the same amount for its services as Southern Bell is presently charging.

The witnesses for the Intervenors took exception to the Application with respect to the authorization of intraLATA services. Indeed, it appears from the testimony that the Company is not in a position to provide intraLATA services at this time or even throughout 1984.

The Commission finds that based on the substantial evidence on the whole record, AT&T Communications of the Southern States, Inc. should be granted a certificate of public convenience and necessity to provide interLATA telecommunication services within South Carolina. The Commission further finds that the granting of a certificate of public convenience and necessity to provide intraLATA telecommunication services within South Carolina should not be approved since public convenience and necessity was not shown at this time. The Commission further finds that the rates filed in the Application are approved, effective for service rendered on or after January 1, 1984. The Commission is very much concerned that customers should receive the same service at the same rates as presently approved. It is the intent of this Order to provide a transition during the period of divestiture

without interruption of service to customers or a change in rate. The Commission further finds that AT&T Communications of the Southern States, Inc. will offer wide area telephone service (WATS) at rates presently being charged by Southern Bell. The Commission also finds that AT&T Communications of the Southern States, Inc. and Southern Bell Telephone and Telegraph Company should petition the U. S. District Court for an exemption or waiver of the Plan of Reorganization and the Modified Final Judgment, to allow the Companies to share the costs and revenues as agreed to by the parties, so that WATS service may continue to be offered without interruption to customers.

The Commission will herein require the Company to file monthly reports showing its revenues, expenses and rate of return in a format as may be determined by the Commission Staff.

At the conclusion of the testimony in this case, the Consumer Advocate for South Carolina made several motions which the Commission declines to address at this time, and therefore, for the purposes of this Docket, are denied.

The Commission further finds that jurisdiction under this Docket should continue and that this Docket should not be closed.

IT IS THEREFORE ORDERED:

1. That AT&T Communications of the Southern States, Inc. is granted a Certificate of Public Convenience and Necessity to provide interLATA telecommunications services within the State of South Carolina.

2. That the request of AT&T Communications of the Southern States, Inc. for a Certificate of Public Convenience and Necessity to provide intraLATA telecommunication services within the State of South Carolina is denied.

3. That the rates filed in the Application are approved, effective January 1, 1984.

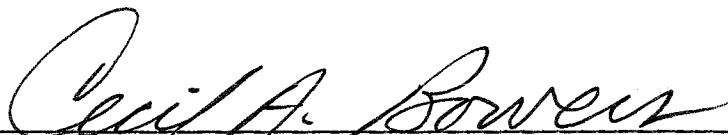
4. That in order for South Carolina customers to continue to receive wide area telephone service (WATS) at rates presently being charged, that AT&T Communications of the Southern States, Inc. and Southern Bell Telephone and Telegraph Company shall file the appropriate motion with the U. S. District Court to obtain a waiver or exemption from the Plan of Reorganization and the Modified Final Judgment to allow both companies to share the costs and revenues as agreed to by the parties.

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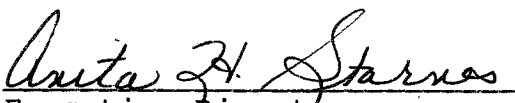
5. That AT&T Communications of the Southern States, Inc. is hereby required to file monthly reports showing revenues, expenses and rate of return in a manner as may be determined by the Commission Staff.

6. That this Order will remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Acting Chairman

ATTEST:

  
Acting Executive Director

(SEAL)